



Under Ameritech's current offering, Ameritech believes it can collect access payments on all access traffic terminating (placed) to a customer served by a line card (unbundled port) purchased by a CLEC competitor and traveling over Ameritech's access network. (Such a call is shown by the line from Ameritech's access network to Customer B.) Ameritech also collects access payments on all access traffic traveling over a competitor's access network, and terminating to a line card serving an Ameritech customer. (The line from the CLEC's Access Network to customer A.) In effect, Ameritech gets access revenues in all cases where parts of the call are handled both by Ameritech and by the competitor. Since access revenues represent the entire profit margin for most services, as shown by Exhibit 45, any arrangement under which Ameritech retains these revenues in all cases in which access is provided jointly is unreasonable. Accordingly, the Commission finds that Ameritech's position regarding access charges

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unreasonable and discriminatory and therefore in violation of § 251(c)(3). A reasonable position on access charges must provide some form of parity where portions of access service are provided both by Ameritech and by the competitor.

In testimony, two alternatives to Ameritech's approach to assigning access revenues were advanced. In the first, the provider supplying the line card to the customer receives the access revenues for access calls to and from that line card, regardless of whether Ameritech or the competitor actually provided the access services. If the access services were provided by Ameritech, the competitor would charge for access, and would pay Ameritech unbundled service rates for switching and transport used in providing that access. The second option is for the access revenues to accrue to whichever provider provided the access services. Under this option, if an access call was transported to an end office switch over a competitor's access network, and terminated on a line card serving an Ameritech customer, the competitor would pay Ameritech only the charge for unbundled local switching. All three options, Ameritech's and each of the alternatives, are described in greater detail below.

The FCC has issued pricing and interconnection rules regarding the application of access charges and the use of unbundled network elements. The FCC pricing rules have, however, been stayed by the federal courts following arguments that the FCC overstepped its authority in setting those rules, because unbundled services are local, not interstate, in nature. However, the interconnection rules have not been stayed. It can be argued that the identification of the provider of access is a rule related to the application of access charges which have been stayed. This Commission asserts that it retains authority to set rates and conditions for intrastate services, including unbundled transport, and to eliminate unreasonable restrictions on the use of

unbundled services. If the FCC prevails in court, or if this Commission is otherwise preempted by FCC actions, this issue will be reopened, as described below.

Ameritech claims its terms and conditions, which do not let a competing LEC become the exchange access provider to any of Ameritech's local service customers, are based on the FCC's September 27, 1997, Order on Reconsideration. In that order, the FCC concludes that because the unbundled local switching element includes dedicated facilities, the line card, a requesting carrier is effectively precluded from using unbundled local switching to substitute for access services. According to the FCC, the loop and the line card are dedicated facilities which are used to provide both exchange access and local service (at 1), and therefore a CLEC purchasing the line card becomes the provider of access services.

Yet in Ameritech's offering when the competing provider purchases the unbundled local switching, which includes the line card, the competing provider does not become the recipient of access revenues. This represents a discriminatory term or condition in Ameritech's offering. If the Order on Reconsideration is applied in a uniform manner, the provider of the line card (unbundled line-side port) should in all circumstances be the provider of both local and exchange access service. Ameritech applies this requirement only to its own local service customers. Ameritech creates a different requirement for its competitors. Ameritech requires the purchase of a second and third set of transport-side trunks ports to be the provider of access service. But even when dedicated transport-side ports are purchased, the CLECs are only allowed to use these facilities to serve their own local service customers. Ameritech, using the same investment in dedicated transport-side ports, allows itself to provide access to the CLECs' local service customers. As staff witness Jahn characterized Ameritech's conditions which limit termination

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of access, they result in a "heads I win, tails you lose" situation. These conditions are an unreasonable restriction on the use of unbundled services, and create a barrier to competition and are therefore a violation of both § 251(c)(3) and state statutes.

If the pricing rules were not stayed, a clear violation of the FCC's rules could also be identified. 47 CFR § 51.515(a) requires that "Neither the interstate access charges described in part 69 nor comparable intrastate access charges shall be assessed by an incumbent LEC on purchasers of elements that offer telephone exchange or exchange access services." Ameritech's collection of access revenue related to a CLECs' local service to customers is in clear violation of this rule. Conversely, this is the only pricing rule that would be consistent with Ameritech's assertion that competing providers may not provide access service to Ameritech's own local service customers.

Ameritech's reliance on the Order on Reconsideration regarding providing access services to its own local service customers, while claiming Ameritech is also the recipient of access related to its competitor's local service customers is discriminatory. It relies on the Order on Reconsideration for its own local customers and violates the Order on Reconsideration for its competitor's local service customers.

The FCC's orders appear to most closely support the first alternative position; that the access revenues accrue to whichever provider supplies the port to the customer. If the Commission were to adopt the FCC treatment of access, then that provider would charge access to the toll provider for all toll calls made from that port. If the supplier of the port is a competitor using unbundled services, then the competitor would charge access rates to the toll provider, and the competitor would then pay Ameritech for the component parts of that access on an unbundled

basis. While this plan would eliminate a major problem with the Ameritech proposal -- namely that Ameritech would have an unfair advantage through control of the access bottleneck -- it would cause other problems. The most significant is that it will prevent the market from controlling access rates.

The FCC proposal merely transfers the access bottleneck, it does not remove it. By requiring access revenues to follow the port, the proposal prevents toll providers from seeking cheaper alternatives for delivering calls to that line. If access charges are a bottleneck, providers have no incentive to reduce those charges. Instead, the providers have an incentive to *raise* access rates as high as possible. The competitor must charge enough to their retail customers to cover their total costs, *minus the amount of revenue the provider gets from access charges*. The higher the competitor raises its access charges, the lower the retail rates and the more attractive the provider.

Traditionally, the only competitive pressure on access charges came through the threat of bypass: the toll provider would offer the customer lower toll prices if the customer would agree to accept a separate line for toll service, thereby avoiding (bypassing) the access charges. In the new competitive environment, however, many customers will get both his or her toll service and local service from the same provider, and will therefore have no incentive to accept a bypass line. Under the FCC plan, the FCC would probably have to apply some form of control or caps to interstate access rates on all providers. The Wisconsin Commission, however, cannot rely on such controls. The Wisconsin Commission has limited control over access rates for Ameritech and GTE North, potentially limited jurisdiction over new CLECs, and no direct jurisdiction over the access rates of companies certified as carriers under s. 196.499, Wis. Stats., such as AT&T

and MCI. Furthermore, the Commission has a statutory mandate to rely on competition where possible and to the maximum extent possible, instead of regulatory solutions.

Therefore, it is reasonable for the Commission to reject the proposal that access rates must accrue to the provider that supplies the port to the end user.

The second alternative proposal, that access revenues accrue to the provider of the access services, would allow the market to control access prices. Under such a proposal, all CLECs would be allowed to terminate access calls to any line card served by a switch on which the CLEC has bought unbundled trunk side ports through which the CLEC has connected its access network. The CLEC would pay Ameritech for the unbundled ports, and would pay unbundled local switching for the call. Ameritech's unreasonable restriction of a CLECs ability to terminate access calls to its customers using unbundled services would be eliminated. Under this proposal, the toll provider could choose between Ameritech's and the CLEC's access service for terminating calls. Both would be allowed to compete for access service, and the toll providers would be able to choose the access provider with the best quality for the price. Under such a proposal, the market would control both access price and the quality of access service. Further, providers would have an incentive to improve perennial problem areas, such as Carrier Access Billing Systems (CABS) and routing problems.

Under this alternative, the Commission will not need to control access rates, at least for Ameritech and for competitors using unbundled services. The market will do that if the Commission rejects the proposal that access revenues accrue to the provider of the line card, and requires Ameritech to eliminate its unreasonable restriction on the use of unbundled services for

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termination of toll calls transported over the CLEC's access networks on another provider's line cards.

It is therefore reasonable for the Commission to require that Ameritech allow competitors to use unbundled ports, when connected to a competitor's access network, to terminate calls to any port served by that switch. The charges that should apply for that termination include the monthly charges for the unbundled port, any applicable cross-connect and/or transport charges, and the per-minute unbundled local switching element. Where a CLEC is providing access using such ports, the CLEC may charge access charges to the toll provider. Ameritech may not charge access to the toll provider or the CLEC for toll calls transported over the CLEC's access network.

In order for the CLEC to provide access services, it must have an access network, either using its own facilities or facilities leased from Ameritech on a monthly basis. As discussed on the section on common transport, the CLECs may not provide access services using common (shared) transport. If the access services are being provided over Ameritech's network, Ameritech receives the access revenue, by billing the toll provider. For toll calls terminated over the Ameritech access network to customers served by ports supplied by a CLEC, Ameritech will only charge a CLEC for carrying the call if the CLEC is also the toll carrier.

This decision has an impact on shared or common transport. As described above, Ameritech must offer shared transport on a per minute basis, using Ameritech routing tables and network, for transport of local calls. CLECs may use this service for local calls for both primary transport and to handle overflow from dedicated transport. The CLECs may not use shared transport for carrying toll calls, however, and receive access revenues. If CLECs choose to use

the Ameritech access network, either on a primary or overflow basis, Ameritech gets the access revenues associated with those calls. CLECs receive access revenues only for calls transported over the CLECs' own access networks.

7. Usage development and implementation charge

This issue was addressed in the hearings held between March 31, 1997, and April 3, 1997. An Ameritech witness testified that this charge was based on costs incurred to reprogram switching and billing systems to provide data needed for unbundled elements. However, this charge is to recover costs that are isolated and charged only to competing providers. It is almost like creating a rate element called "Cost Study Development" to make new entrants pay for the cost of developing rates for all unbundled elements because Ameritech did not need to incur these costs until it was required to set unbundled rates. However, like cost studies, it is discriminatory to make only competing providers responsible for this cost. Such costs should be included in each associated unbundled rate element and spread over all usage in a competitively neutral manner. Accordingly, it is reasonable for the Commission to conclude that costs for usage development and implementation should be reflected in the associated unbundled rate elements and not reflected as a separate charge.

vii. Nondiscriminatory Access to 9-1-1, Directory Assistance, and Operator Services

1. *Ameritech's terms, conditions, and/or charges must be adjusted so that new entrants' 9-1-1 service costs can be recovered in a manner not disadvantageous to new entrant companies.*

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In its January 10, 1997, and March 3, 1997, filed Statements, Ameritech submitted its Emergency Number Service Access (ENSA) tariff. There is no known tariff solution and no other immediate solution that can completely equalize 9-1-1 cost recovery between Ameritech and its local competitors. This is because the 9-1-1 service that is being assessed on local phone bills is that purchased by the local government, generally the county. The 9-1-1 contracts were made with the incumbent local exchange carriers (LEC) serving in the area at the time of signing. The only way to fully equalize the cost recovery is to get the new LECs into the 9-1-1 contracts. It is not within Ameritech's nor the Commission's authority to force this type of contract amendment. Of course adding these new parties to the contract will increase 9-1-1 costs overall in an area so local authorities may not be welcoming them to the table. When 9-1-1 contracts are renegotiated, these issues will need to be addressed.

Rates for ENSA were set for equivalence with Ameritech county contract rates. ANI/ALI/SR and Database Management charges are reduced from groups of 1,000 lines served at \$100.00 per month with a nonrecurring charge (NRC) of \$1,880.00 to groups of 100 lines at \$100.00 per month with no NRC. These rates should result in competitive local carrier costs on a per-access-line basis comparable to Ameritech's in any given county where the carrier has customers. While this does not eliminate the potential for some higher costs than Ameritech, especially where significantly less than 100 lines are served across a 9-1-1 service area, this is a significant improvement over the 1,000 line minimum charge. The Commission accepts this tariff as meeting the intent of this requirement.

viii. White Pages Listings

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1. *The Commission rejects both staff's proposed mechanisms regarding addressing excess Yellow Pages profits. No adjustment is required on this issue in the first order.*
2. *Ameritech must revise its offering to competitors to include availability of additional listings, customer services information pages, foreign directories, additional directories, and other services at a rate no more than cost plus a reasonable markup.*

In its January 10, 1997, filing, Ameritech challenged this requirement with an opinion written by the law firm, Foley and Lardner. That opinion explained that additional listings and other directory services are not "telecommunications services" covered by the Telecommunications Act of 1996 (Act) and that the Commission's requirement was not necessary to ensure compliance with the 14 point checklist of the Act. While state commissions can enforce requirements of state law that are not in conflict with the Act, the opinion stated that the Commission lacks the authority to regulate directory offerings under state law. In support of that opinion, it states that Ameritech Wisconsin is a price regulated utility under which the Commission has authority over only the prices of basic local exchange services.

The Commission determined that directories are not included within the definition of basic local exchange services as provided in s. 196.01(1g), Wis. Stats., nor has the Commission found it to be part of the services that may be included under price regulation per the procedures described in s. 196.196(1)(a)(2), Wis. Stats..

Staff's memo on this issue explained that Commission authority fell under the statute section, Protection of Telecommunications Consumers, s. 196.219, Wis. Stats. The evidence was that Ameritech chose to charge \$19.80 annually for an additional listing, that costs only \$0.60

according to Ameritech's cost support. While Ameritech's own retail department had a cost of \$0.60, a CLEC would have a cost of \$19.80 to provide additional listings. Staff cited s. 196.219(4d), Wis. Stats., under which the Commission can order a telecommunications utility to cease offering a service that creates an unfair trade practice or method of competition. The Commission found this did not constitute pricing authority over directories.

The Commission determined that the creation of the above requirement was not necessary to ensure compliance with the 14-point competitive checklist of the Act. The Commission determined that it would limit its consideration in the area of white pages listings to meeting the requirements of the 14-point competitive checklist of the Act and not impose a state requirement in this area of questionable state Commission authority. Accordingly, the Commission determined it would eliminate this requirement.

Chairman Parrino dissented.

3. *Each Ameritech directory must include the listings for all competitors in exchanges for which it lists the incumbent's customers, including EAS and ECC customers, when listed.*

Ameritech's January 10, 1997 and March 3, 1997, Statements clarified that it will include competitors listings for any exchanges in which it lists the incumbent's listings. This complies with the above requirement.

ix. Nondiscriminatory Access to Telephone Numbers

1. *No adjustment is required on this issue in the first order.*

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x. Nondiscriminatory Access to Databases and Signaling for Call Routing

1. *Ameritech must state, in its tariffs, that denial of a bona fide request due to technical infeasibility may be referred to the Commission.*

Ameritech's January 10, 1997, Statement included this explanation in the Statement but not the tariffs. The Commission reaffirmed that the explanation must be included in tariffs. Ameritech's March 3, 1997, Statement included this explanation in tariffs.

2. *Ameritech must provide to its competitors the same level of assistance with LERG entries that it provides to small LECs.*

Ameritech's January 10, 1997, and March 3, 1997, Statements clarified that it will provide this assistance. Since the assistance to small telcos is not tariffed, no tariff changes are required.

xi. Interim Number Portability

1. *No adjustment is required on this issue in the first order.*

2. *Ameritech's offering must be revised to state Ameritech will accumulate records of its long-run economic costs to be recovered when a cost recovery mechanism is developed.*

Along with Ameritech's January 10, 1997, and March 3, 1997, Statements, Ameritech submitted tariff changes that comply with the Commission's requirement by stating that Ameritech will record its costs of providing this service until the FCC adopts a competitively neutral mechanism for recovery.

xii. Access to Services and Information to Implement Local Dialing Parity

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1. *No adjustment is required on this issue in the first order.*

xiii. Reciprocal Compensation Arrangements

The Commission's first order indicated that all concerns related to reciprocal compensation were addressed elsewhere, such as in the discussion of nondiscriminatory access to unbundled elements that addressed all pricing issues.

xiv. Telecommunications Services Available for Resale.

1. *Ameritech must revise its resale rates using the best available data and using the costing methods and financial adjustments described in the Findings of Fact of the Commission's December 12, 1996, order in this docket.*

Ameritech hired the accounting firm, Arthur Andersen, to identify the activity that was recorded to account 6623, Customer Services. Arthur Andersen prepared an analysis by business unit from codes maintained by the accounting system. For most business units, the entire cost associated with the business unit could be identified as either avoided or continuing in a 100 percent wholesale environment. The Arthur Andersen analysis left \$25 million dollars in the business unit, Network Services, to be classified as to whether the costs would continue in the wholesale environment or not.

Ameritech's January 10, 1997, Statement included almost all the above described \$25 million, plus additional costs related to providing services in a wholesale environment, as continuing in the wholesale environment. Ameritech stated this calculation would support an overall discount of 15.8 percent, but that it would continue to use the 17.9 percent overall discount from the original filing. The Commission finds that a larger portion of the \$25 million of network services costs should be considered to be avoided in the wholesale environment. As

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Ameritech had previously identified revenues to be a cost causative allocator for the costs in question, it is reasonable to use revenues as a cost causative basis for determining the portion of costs that would continue in the wholesale environment. The Commission considered the estimation of additional costs and judgment in allocating costs in determining that an overall discount of 18.6 percent applied to all telecommunications services is a reasonable wholesale discount.

As discussed in resale adjustment number 8 below, when no discount is applied to individual contract basis sales, the overall discount on the remaining telecommunications services is 19.4 percent. Ameritech's March 3, 1997, Statement complies with the requirement for a 19.4 percent overall discount.

2. *The discount must be applied uniformly to all services in a family unless an exception is granted. Exceptions must be supported by a showing that the ratio of LRSIC costs which are avoided to the total LRSIC costs for the service is significantly different than the average of LRSIC costs which are avoided to average total LRSIC costs for all services, or some verifiable systematic method to assure variations are reasonable.*

In its January 10, 1997, and March 3, 1997, Statements, Ameritech applied the discount uniformly to all families of services.

3. (a) *Ameritech shall modify its tariff to allow resellers to aggregate usage for the purpose of applying volume discounts. Residential volume usage discounts will be applied on a per end-user customer basis*

In its investigation of resale restrictions in docket 05-TI-143, which was in process when Ameritech filed its initial Statement, the Commission found that the ability to aggregate usage for

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Ameritech had previously identified revenues to be a cost causative allocator for the costs in question, it is reasonable to use revenues as a cost causative basis for determining the portion of costs that would continue in the wholesale environment. The Commission considered the estimation of additional costs and judgment in allocating costs in determining that an overall discount of 18.6 percent applied to all telecommunications services is a reasonable wholesale discount.

As discussed in resale adjustment number 8 below, when no discount is applied to individual contract basis sales, the overall discount on the remaining telecommunications services is 19.4 percent. Ameritech's March 3, 1997, Statement complies with the requirement for a 19.4 percent overall discount.

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In its January 10, 1997, and March 3, 1997, Statements, Ameritech applied the discount uniformly to all families of services.

3. (a) *Ameritech shall modify its tariff to allow resellers to aggregate usage for the purpose of applying volume discounts. Residential volume usage discounts will be applied on a per end-user customer basis*

In its investigation of resale restrictions in docket 05-TI-143, which was in process when Ameritech filed its initial Statement, the Commission found that the ability to aggregate usage for

the purposes of receiving volume discounts was critical to a reseller's ability to compete. In applying this principle to this docket, the Commission determined that resellers should be able to aggregate all of its business customers' local traffic for the purpose of applying the volume discounts, as opposed to applying the discounts on a business customer by business customer basis. In preventing such aggregation, Ameritech was creating an unreasonable restriction on resale.

The Commission did not apply this rationale to residential service, since the pricing structure for residential service is markedly different than business service.

In its January refiling, Ameritech challenged the Commission decision on this matter. Ameritech restated many of the arguments it had made in its first filing, and in docket 05-TI-143. The Commission reaffirmed its previous ruling in its February 20, 1997, oral decision. Ameritech has now complied with that requirement

3. (b) *Ameritech must reduce the charges for all nonrecurring costs to no greater than cost plus a reasonable markup.*

In a separate proceeding (docket 05-TI-143), the Commission found the increase in certain non-recurring charges for CENTREX service to create an unreasonable barrier to resale of those services, and therefore a barrier to effective competition. That docket was proceeding at the same time that Ameritech filed its initial statement. As a result, the Commission made the finding, in its first order, that all non-recurring charges must bear a reasonable relationship to their underlying costs. Non-recurring charges of the type at issue in docket 05-TI-143 would be considered unreasonable, and could be grounds for rejection of the Statement.

In subsequent filings, and in response to data requests, Ameritech provided information on the costs underlying its non-recurring charges. No other cases of significant mismatches were discovered.

In its comments on the January filing, MCI argued that the cost studies were understated because they included costs for manual support operations. MCI argued that such tasks should be automated. Such automation would reduce the costs, which would have the effect of raising

the margin inherent in non-recurring charges. The Commission considered the MCI comments, but found that no evidence that the revised cost studies would result in margins which would be unreasonable. No further action on this issue is required.

4. (a) *All terms and conditions of resale must be included in tariffs, including operations system support and performance benchmarks.*

In its January 10, 1997, Statement, Ameritech included language in the tariff that referred to the Statement for terms and conditions of resale. The Commission determined that the terms and conditions needed to be incorporated into the tariff itself. In its March 3, 1997 filing, Ameritech has incorporated the necessary language in its tariffs.

5. (b) *Ameritech's tariff must provide that copies of performance and parity reports will be provided to customers of unbundled and wholesale services as a condition of service, unless waived by the customer.*

In its January 10, 1997, Statement, Ameritech included language in the tariff that referred to the Statement. The Commission determined that the terms needed to be incorporated into the tariff. The March 3, 1997, filing made this change. At hearing, however, it became clear that staff's prior request for customers receiving parity reports to also receive a report of Ameritech's affiliates' report was not going to be honored. Other parties also entered testimony that parity reporting should include such affiliate results so they can assess parity with Ameritech's affiliate with whom they must compete. Ameritech objects to providing information that would be competitively sensitive to these other parties. Staff suggested that combining results for all affiliates may mask the results for any one affiliate, however that effect was not established in the hearing record.

To meet the needs of the parties to assess parity without disadvantaging Ameritech Communications Inc. (ACI), the report for ACI should be provided, but competitively sensitive actual results may be converted to relative figures for comparison such as percentages or another substitute appropriate for the performance measure shown. However that information is shown, the report recipient should see its own results, Ameritech's results, and those of all non-Ameritech customers, in the same substitute format in addition to the actual result format Ameritech has already agreed to provide.

6. *Ameritech's offering must be revised to include discounted prices for resold grandparented and sunsetted services*

In Ameritech's January 10, 1997, Statement, this modification was made in the Statement, but not the associated tariff. The Commission determined the modification must be made to the tariffs. In its March 3, 1997 filing, Ameritech has incorporated this language in its tariffs.

7. *Ameritech's offering must be revised to allow unlimited transfers of grandparented and sunsetted services to new providers, so long as the customers remain otherwise eligible for the offering.*

In Ameritech's January 10, 1997, Statement this modification was made in the Statement, but not the associated tariff. The Commission determined the modification must be made to the tariffs. In its March 3, 1997 filing, Ameritech has incorporated this language in its tariffs.

8. *Ameritech is not allowed to revise its Statement to exempt from discount its promotions, discounts and non-standard offerings of greater than 90 days.*

No action is required because Ameritech does not have such an exemption in its tariff or Statement.

9. *Ameritech's offering must be revised to make clear all telecommunications services offered via individual contracts are to be available for resale at discounted prices.*

In Ameritech's January 10, 1997, Statement, Ameritech contended that the requirement of the order was a misreading of the federal law and the Commission should remove this requirement and address the issue in the "fresh look" portion of docket 05-TI-138. Staff memo explained that "fresh look" is a separate and distinct issue of terminating the underlying contract and whether penalties for termination of contracts should be allowed. Under resale all the terms of the existing contract are still in effect including termination provisions. The contract itself is discounted to the extent retailing costs are avoided.

The Commission finds that avoided retailing costs for individual contract basis (ICB) services are essentially zero and that resale at the contract rate would be reasonable. However, with the discount on ICBs stated as zero, the remaining overall discount rate on all remaining retail services should be increased to 19.4 percent from 18.6 percent. A discount of zero on ICB contract would then meet the requirement that all telecommunications services that a carrier provides at retail to subscribers who are not telecommunications carriers are subject to resale and the discount must be based on avoided retailing costs.

Ameritech's March 3, 1997, Statement included an overall discount of 19.4 percent and included an appropriate tariff reference for resale of ICBs upon request at the contract rate with no discount.

10. *Ameritech's offering must be revised to state that notice of a new service will be provided to purchasers of resold services when each roll-out schedule for a new service has been set.*

In its January 10, 1997, Statement, Ameritech indicated in the Statement only that 60 days notice would be given of all new services. Comments were sought regarding whether the fixed 60-day time period provided the same protection as the Commission's previous "roll-out" requirement. Since no objections to the substitution were voiced in the comments, the Commission finds it was reasonable to substitute the 60-day time period for the "roll out" time period. The Commission determined that this term should be included in tariffs as well as the Statement. Ameritech has incorporated this language in the tariffs supporting its March 3, 1997, Statement.

FINDINGS OF ULTIMATE FACT

THE COMMISSION FINDS:

1. It is just and reasonable for the Commission to find that the revisions and adjustments to the Statement summarized below are reasonable and necessary, as discussed in the preceding Findings of Fact. Requirements from the first order are shown in *italics*. New requirements, supported in this order, are shown in regular type. These revisions and adjustments are necessary for compliance with §§ 251 and 252(d), Wisconsin law and this Commission's prior orders:

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i. Local Carrier Interconnection

1. *All rates, terms, and conditions of interconnection must be included in tariffs.*

Ameritech's March 3, 1997, Statement complies with this requirement.

2. *Ameritech's offering must clearly state that indirect interconnection will be allowed.*

Ameritech's March 3, 1997, Statement complies with this requirement.

3. *Ameritech's offering must be revised to include the explanation that disputes regarding technical and operational matters will be referred to the Commission staff for review. Staff is allowed to refer such an issue to the Technical Forum for advice before issuing a determination or presenting the matter to the Commission. Staff determinations may be appealed to the Commission.*

Ameritech's March 3, 1997, Statement complies with this requirement.

4. *Ameritech's offering must state that two-way trunking will be available upon request for local interconnection.*

Ameritech's March 3, 1997, Statement complied with this requirement.

5. *No adjustment is required on this issue in the first order.*

6. *No adjustment is required on this issue in the first order.*

7. *Ameritech's offering must be revised to make the implementation team an option available at the request of interconnecting companies.*

Ameritech's March 3, 1997, Statement complies with this requirement.

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ii. Nondiscriminatory Access to Unbundled Elements

1. *All terms and conditions of interconnection and unbundled elements must be included in tariffs.*

Ameritech's March 3, 1997, Statement complies with this requirement.

2. *All operations support systems and electronic interfaces must be tested and operational before they are acceptable for tariffing.*

Ameritech's March 3, 1997, Statement does not comply with this requirement.

(a) Appendix B to this order contains a list of information that Ameritech shall gather and submit to the Commission at least 14 days prior to filing another statement.

(b) It is reasonable to replace the original order requirement with the following requirement: Operations support systems must be tested and operational before a Statement will be approved.

(c) It is reasonable to require that the terms and conditions of Ameritech's OSS interfacing include a charge management system as described in the above findings of fact.

3. *Performance benchmarks must be included in unbundled element offerings. Ameritech's offering must state that issues regarding type, standards, levels, and frequency of performance benchmarks may be referred to the Commission.*

Ameritech's January 10, 1997, and March 3, 1997, Statements complies only with the second part of this requirement. Not all unbundled element offerings have established benchmarks. Further development of benchmarks for the unbundled elements is needed and is

being worked on. However, finality regarding all benchmarks may not be necessary for approval of the Statement

4. *Ameritech's offering must state the maximum time interval for provision of service. At the request of any interconnecting party, that time interval may be appealed to the Commission.*

Staff did not find a specific reference to maximum time intervals in Ameritech's January 10, 1997 or March 3, 1997, Statements. It may be considered included in the reference to performance benchmarks discussed above. The tariffs should include a general reference to the maximum time interval for provision of service, while the specific intervals need not be included in tariff language if they are otherwise given in the Statement.

5. *(a) Ameritech must revise its rates for unbundled elements to reflect the appropriate economic lives as set forth in the Final Order in docket 05-DT-101, dated September 15, 1995.*

Ameritech's March 3, 1997, Statement complies with this requirement.

(1) It is reasonable to allow Ameritech to request revision of its rates for unbundled network elements to reflect a change in the range of depreciation rates authorized in future proceedings.

5. *(b) No adjustment is required on this issue in the first order.*

5. *(c) Ameritech must revise all its rates for unbundled elements to reflect joint and common costs based on 1997 total joint and common costs divided by 1997 total demands.*

Ameritech's March 3, 1997, Statement complies with this requirement.

6. (a) *Ameritech must remove the differential pricing of Zone A, Zone B, and Zone C and price all unbundled loops on a geographically uniform basis, unless Ameritech proposes an economically rational system of deaveraged prices, together with full technical, economic, and cost support.*

Ameritech's March 3, 1997, Statement complies with this requirement.

6. (b) *No adjustment is required on this issue in the first order.*

6. (c) *Ameritech must include in the price of a port only those features that appear on a typical port for the service line classification, including separate residence and business ports.*

Ameritech's March 3, 1997, Statement complies with this requirement except review of the cost basis for Ameritech's differential pricing of ports by features will be an issue in Ameritech's next filing of the Statement.

iii. Nondiscriminatory Access to Poles, Ducts, Conduits, and Rights-of-Way

1. *All terms and conditions related to rights-of-way must be included in interconnection tariffs.*

Ameritech's March 3, 1997, Statement complies with this requirement.

2. *Ameritech's offering must be revised to make it clear access will be provided to rights-of-way held by ownership of property as well as rights-of-way acquired from other property owners.*

Ameritech's March 3, 1997, Statement complies with this requirement.

3. *While Ameritech must provide "pathways" through its manholes, etc., to allow access to its rights-of-way, the existence of such pathways does not imply that interconnection in such "pathways" is automatically feasible.*

Ameritech's March 3, 1997, Statement complies with this requirement.

4. *Ameritech must revise its offering to state that if access is not granted within 45 days, then the utility will confirm the denial in writing including all relevant evidence and how such evidence or information relate to a denial in conformance with the Federal rules.*

Ameritech's March 3, 1997, Statement complied with this requirement.

5. *No adjustment is required on this issue in the first order.*

6. *No adjustment is required on this issue in the first order.*

7. *No adjustment is required on this issue in the first order.*

iv. Unbundled Local Loop Transmission

Addressed elsewhere.

v. Unbundled Local Transport and vi. Unbundled Local Switching

1. Dark fiber must be offered as an unbundled element. Ameritech's offering of dark fiber is inadequate to meet this requirement. It must be revised to bolster the dependability and predicability of the offering. Further review of the pricing of dark fiber is also necessary.

2. Shared interoffice transport must include purchase of transport elements used by Ameritech including those known as common transport with the meaning transport of the same efficiency as Ameritech's transport network offered on a per customer-line basis or a minute of use basis. Such transport must not require use of dedicated ports or predefined routing.